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ACTIVITIES OF THE ECONOMIC COMMISSION FOR EUROPE TO IMPLEMENT THE PROVISIONS OF THE FINAL ACT OF THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE (CSCE) AND OTHER CSCE/OSCE DOCUMENTS, INCLUDING THE CHARTER OF PARIS FOR A NEW EUROPE, THE HELSINKI DOCUMENT 1992 AND THE BUDAPEST SUMMIT DECLARATION 1994, AS WELL AS ECONOMIC COOPERATION IN THE MEDITERRANEAN IN THE LIGHT OF THE FINAL ACT OF THE CSCE

Report by the Executive Secretary

1. This report has been prepared pursuant to paragraphs 2 and 3 of decision A (49) regarding implementation of pertinent provisions of the relevant CSCE documents within the ECE framework, including contributions to and practical follow-up of the second meeting of the CSCE Economic Forum held in Prague in March 1994, and paragraph 12 of decision D (49) related to economic cooperation in the Mediterranean in the light of the Final Act of the Conference on Security and Cooperation in Europe.

Part I: General ECE cooperation with the CSCE/OSCE, including participation in relevant meetings

2. Since the forty-ninth session of the Commission, the ECE secretariat has continued to strengthen cooperation with the CSCE/OSCE in the economic dimension, as called for in the Final Act of the CSCE, the Charter of Paris for a New Europe, documents of the Bonn Conference on Economic Cooperation, the Helsinki Document (1992), and the Budapest Document 1994, notably in the areas of the environment, statistics, international trade and industry and technology.

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3. The ECE has, since the signing of the Final Act of Helsinki on 1 August 1975, served as a principal forum within the UN system for the multilateral implementation of the provisions of the CSCE relating to the economic dimension. The rationale behind this cooperation stems not only from similar membership but also from the complementarity of the Commission's mandates and areas of activity with those of the OSCE. It was indeed the invitation by the Bonn Conference to the ECE to develop practical measures in priority areas that led to the adoption by the Commission at its forty-fifth session in the same year of the landmark decision defining its priority areas of work, still in effect.

4. At the same time, the OSCE's policy interests extend beyond the ECE's primary focus on economic and related issues to include the political, social, humanitarian and cultural spheres, which enable it to address common economic concerns in a broader security context, in which economic security plays a vital and fundamental role. This has all the potential to result in a natural symbiosis whereby the OSCE provides the political framework and the ECE provides a framework of intergovernmental machinery which is tried and tested, supported by a secretariat with a vast pool of expertise and experience in key areas of economic analysis, policy assessment, the elaboration of normsMedi, standards and legal instruments, as well as, in more recent years, technical cooperation. In view of this complementarity, the OSCE is in an ideal position to give the necessary political impetus to initiate, within the ECE, intergovernmental negotiations and action in a number of mutually relevant spheres.

5. ECE member Governments have given their strong and repeated support to the active participation of the ECE in both meetings of the CSCE Economic Forum held to date. On those occasions, the ECE made available to the participating States its technical expertise in the areas covered by the agendas of the two Forums, in brief, the consideration of a favourable business climate, including legal and institutional frameworks, particularly in trade and foreign direct investment; integrating economic and environmental factors during the transition, including the elaboration of international conventions and the consequent development of norms and standards; the role of infrastructures as key elements in the transition process; and cooperation in the area of science and technology for the development of industry and for the strengthening of international competitiveness. Written and oral contributions were made at both meetings of the Economic Forum. Since the second Forum took place prior to the Commission's Annual Session in 1994, a full account of the ECE contribution was given in document E/ECE/1288 of 9 March 1994. The general topic for the third Economic Forum, as decided at the 1994 Budapest Review Conference, is regional economic cooperation in the field of trade, investment and infrastructure. This topic corresponds to central aspects of ECE's programme of work, and the secretariat will respond positively to any invitation to make a substantive contribution to the preparation of the next Economic Forum.

6. This can also serve to assist the subsidiary bodies of the Commission to take into account in their work in an even greater way the provisions of the relevant CSCE documents, in particular the Charter of Paris, the Helsinki Document (1992) and the Bonn Document, which call for multilateral implementation within the framework of the ECE. The Commission's subsidiary bodies also contribute in the appropriate manner to the CSCE/OSCE Economic Forum, including the development of its programme of seminars, on matters

where the ECE has competence and can provide expertise and experience and at the same time avoid possible duplication with activities undertaken by other international organizations.

7. The Executive Secretary, as requested in decision A (49), contributed to and participated in both the CSCE Budapest Review Conference and Summit meeting which opened in Budapest on 10 October 1994 and ended with the Summit on 5 December, at the invitation of the Chairman-in-Office, in order that the CSCE participating States might be fully aware of the relevant activities of the ECE and in order to be able to report to the Commission as soon as possible thereafter on the outcome of the Review Conference, insofar as it contained recommendations directed toward the future work of the Commission. The Executive Secretary reported on the Review Conference and Summit at its ad hoc informal meeting on 12 December 1994.

8. In brief, ECE's contribution, based on consultations with member States and with the CSCE secretariat, identified a number of major topics in the economic and related fields. Topics were selected that were deemed to be particularly important issues related to the development of free market systems and to the integration of economies in transition into the world economy, while at the same time falling into areas where ECE already has expertise and ongoing work. For details and specific recommendations on the part of the Executive Secretary for closer ECE/OSCE cooperation, see "Contribution of the Economic Commission for Europe to the CSCE Review Conference, Budapest, 10 October 1994: Cooperation Between the United Nations Economic Commission for Europe and the Conference on Security and Cooperation in Europe - Note by the Executive Secretary of the ECE".

9. The general thrust of this role remains valid: OSCE can give impetus to ECE activities in areas where, because of its broad political vision, it feels that new directions should be taken or the work should be intensified. In this spirit, the ECE secretariat particularly welcomes the recognition, in the 1994 Budapest Summit Declaration (paragraph 15), of the role ECE plays, along with other relevant international organizations and institutions, in support of the OSCE's economic dimension priorities. The ECE, as the OSCE itself, is committed to enhancing the effectiveness of the Economic Forum and of the OSCE's other economic activities. It is prepared to cooperate with the Chairman-in-Office in exploring ways to integrate the economic dimension into the larger security context. In this regard, the secretariat is pleased that the CSCE participating States agreed in the course of the Review Conference to continue to encourage initiatives aimed at promoting sustainable development and have determined to take steps towards implementing the various international conventions relating to environmental protection, a number of which were elaborated by the ECE. The ECE secretariat is particularly pleased that the participating States will be collaborating with and supporting the relevant international organizations in the preparation of the next Ministerial "Environment for Europe" conference to be held in Sofia in 1995 for which ECE is coordinating contributions from all institutions concerned and is preparing the agenda and possible outcome.

10. The ECE secretariat also warmly welcomes the CSCE initiative to convene an ad hoc informal group to meet in Vienna to undertake the preparation of the Economic Forum and its follow-up (Budapest Summit Declaration, Ch.IX, para. 21). It is to be anticipated that such a feature, coupled with the added Review Conference recommendation to establish an international

organizations contact mechanism for information exchange (BSD, Ch.IX, para. 3), would serve to facilitate both pre- post- and inter-Economic Forum-related activities and follow-up. It is the intention of the Executive Secretary to be guided, if invited to participate in this contact mechanism, by the views the Commission has expressed or may wish to express and by his submission to the Review Conference referred to in paragraph 8 above. The ECE is equally ready to play an active role in promoting the integration of the economic dimension into the broader security framework of the CSCE (BSD, Ch. IX, para. 25).

11. The OSCE secretariat in Vienna has been keeping the Office of the Executive Secretary informed of preparatory meetings related to the economic dimension, as appropriate, on the understanding that representatives of relevant international organizations may be invited to such meetings (BSD, CH.IX, paras. 20, 21, 25).

12. In conclusion, there are are today even more ways in which the complementarity between OSCE and the ECE could lend itself to further cooperation in areas of mutual interest. This could lead to activities undertaken by the ECE on its own or in cooperation with other regional institutions. The Commission's member States have repeatedly reaffirmed their commitment to this process and, as long as they continue to do so, the secretariat stands ready to play an active role in facilitating follow-up action to whatever invitations the OSCE may extend to the ECE in its continuing role in the multilateral implementation of the relevant provisions of the OSCE.

Part II: Economic Cooperation in the Mediterranean in light of relevant CSCE documents

13. Within the framework of the CSCE 1994 Budapest Review Conference, ECE participated, inter alia, in two sessions of the working group concerned with the economic dimension (Working Group IV/WG.IV) that were devoted to Mediterranean questions. The Commission's interest in these questions is based on its Mediterranean members and the interest shown in this area by other ECE member states across the geographic spread of its membership, as specifically expressed in statements of delegates at the Commission's 1994 Annual Session. It was expressed by a number of delegations at the Budapest Review that the fact of a joint proposal in the framework of WG.IV by the Non-Participating Mediterranean States (namely, Algeria, Egypt, Israel, Morocco, and Tunisia) was a milestone to be recognized.

14. Activities carried on within the ECE secretariat, as well as new initiatives undertaken by the Executive Secretary, to foster economic cooperation in the Mediterranean in light of the Final Act and other relevant documents of the CSCE are outlined in the paragraphs that follow.

15. The Committee on Environmental Policy adopted, in 1994, policy recommendations to ECE Governments on the prevention of water pollution from hazardous substances which contain indicative lists of hazardous substances and industrial sectors from which these substances derive. It was recommended to countries, including those of the Mediterranean region, that these substances and sectors should be subject to establishing emission limits on the basis of the best available technology and, where necessary, be subject to a total or partial prohibition. It is expected that the application of these

recommendations will lead both to a reduction of transboundary water pollution and land-based pollution and thus the protection of the marine environment, including the Mediterranean Sea. In doing so, the current water quality, water-quality requirements of current and future water users in the relevant catchments, requirements of aquatic and riparian flora and fauna, assessments of the risks involved, the urgency of control measures, and the economic feasibility should be taken into account.

16. The Committee on Environmental Policy continues to promote activities under the new environmental conventions on water management, environmental impact assessment and industrial accidents to facilitate adherence in particular by ECE countries from the Mediterranean region and those in transition. Meetings of signatories to these conventions, and meetings convened under their auspices, are open-ended. Under these conventions, fact-finding missions are being organized to Mediterranean and other countries which have not yet signed or ratified, to encourage and assist them to do so. Only five Mediterranean countries have signed these conventions, of which Albania has ratified all three and Spain only the 1992 Convention on Environmental Impact Assessment in a Transboundary Context.

17. In addition, the joint ECE/UNEP activity on strengthening environmental management capabilities in central and east European countries, undertaken by the ECE secretariat, has led to the issuance of Guidelines on Integrated Environmental Management in Countries in Transition (ECG/CAP/5). The Guidelines, to which the Committee on Environmental Policy gave its general approval in 1994, are particularly relevant for Mediterranean member States.

18. Pursuant to the 1991 recommendations of the Senior Economic Advisers and the Senior Advisers to ECE Governments on Environmental and Water Problems, ECE continues to promote the application, in all ECE countries non-members of OECD, of the Guidelines and Considerations for the Use of Economic Instruments in Environmental Policies, prepared by OECD for its member countries. In the Mediterranean basin, this includes seven countries in transition as well as Cyprus, Malta and Israel. Moreover, ECE has taken steps to extend systems and practices for the safe handling of chemicals, established by OECD for its member countries, to the ECE region as a whole, including the above-mentioned Mediterranean countries.

19. In the field of transport, studies on problems of specific interest to the countries of the Mediterranean region are carried out by the Transport Study Centres in Barcelona and Volos and the Transport Training Centre in Istanbul. The work of these centres continues to form a valuable input to the programme of work of the Inland Transport Committee.

20. The ECE and ECA secretariats, as requested by ECOSOC Resolution 1993/60, participated in follow-up activities to the project on the Europe-Africa permanent link through the straits of Gibraltar and are preparing jointly the report to be submitted to ECOSOC at its substantive session in 1995.

21. The Inland Transport Commitee decided that in future more importance should be attached to Mediterranean transport problems in the realm of its competence.

22. A Workshop on Renewable Sources of Energy was organized by the Plataforma Solar de Almeria of CIEMAT, Spain, in cooperation with ECE in May 1994. In

addition, a Workshop on the Use of Solar Energy will be held in Tel Aviv from 31 July to 4 August 1995, organized by the Government of Israel in cooperation with ECE, to promote the use of solar energy and to enhance international cooperation for this purpose, including in the Mediterranean region.

23. The Industry and Technology Division has several specific activities, both ad hoc and continuing, in the Mediterranean area. In order to promote industrial cooperation and to improve transparency of the chemical industry, the Working Party on the Chemical Industry produced a successful sales publication, the Directory of Chemical Enterprises in the European Mediterranean Region in 1994. Under the auspices of the same Working Party, a Workshop on Waste Treatment in Industrial Parks was held in Istanbul in March 1994; follow-up work for the near future is to be discussed at the next annual meeting of the Working Party. As follow-up to an earlier workshop on Conformity Assessment convened in Cyprus in October 1993, under the auspices of the Working Party on Standardization Policies, discussions were held on the possibility of using the training facilities available in Cyprus to train quality inspectors from other countries, particularly from central and eastern Europe.

24. The work of the Committee on Agriculture on harmonization of standards for perishable produce, in particular, is of direct interest to the Mediterranean basin, given the nature of commodities concerned and the important corresponding trade flows taking place in this region.

25. The Timber Committee and its subsidiaries, the ECE/FAO Working Party on Forest Economics and Statistics and the Joint FAO/ECE/ILO Committee on Forest Technology, Management and Training, disseminate information on forest fires and promote forest fire prevention and control activities, which are of direct relevance to the Mediterranean countries given the high prevalence of forest fires in this region. They also collaborate in the interregional Silva Mediterranean project of FAO which addresses specific forestry issues of countries bordering the Mediterranean. A seminar on Harvesting and Silviculture of Degraded and Coppice Forests in the Mediterranean Region was organized under the auspices of the Joint Committee in Thessaloniki, Greece, from 1 to 5 November 1994.

26. The 18th Meeting of Experts on Human Settlements Problems in Southern Europe took place in Nicosia (Cyprus) from 6 to 8 June 1994. The Meeting focused on planning for sustainable tourism development and suggested ideas and perspectives to guide and implement policies to this end. It concluded, inter alia, that sustainable tourism development in the Mediterranean basin could be improved by intensifying the dialogue and cooperation among countries. The Meeting also decided to prepare a synthesis of the work that it had undertaken since its creation for submission to the United Nations Conference on Human Settlements (Habitat II).

27. Outside of the regular programme activities of the Principal Subsidiary Bodies, the Executive Secretary convoked, in December 1994, a special meeting of ambassadors from ECE member and non-member states of the Mediterranean region, at a lunch to discuss the role of the UN/ECE in cooperation in the Mediterranean. The aim of the lunch was to exchange views on how to give concrete substance to the Commission resolutions which call each year for a strengthening of cooperation in the Mediterranean in the light of the Final

Act of the CSCE, the Charter of Paris for a new Europe and the Helsinki Documents.

28. Among the topics touched upon were: methods of transportation and harbour equipment; effective energetics; renewable energy; migration and employment; PMEs; environment; water management; recycling and waste management. It was also acknowledged that the ECE carries out activities on the analysis of macroeconomic and sectoral policies in which the Mediterranean is not really taken into account because of lack of resources and information.

29. It was agreed that the ECE secretariat would make an inventory of existing mechanisms of cooperation and of initiatives underway among states of the Mediterranean basin and identify what contribution the ECE could make within its mandate and expertise. Accordingly, the ECE secretariat is currently preparing a document which will be circulated among interested Mediterranean countries in order to facilitate an exchange of views and selection of priorities.

30. It was also recognized by the ambassadors that the ECE has elaborated numerous conventions and norms as well as various instruments for regional integration which may be extended to non-member Mediterranean countries.